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OGC 62-0456

21 February 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Information Report

In meeting with Mr. Jay G. Sourwine, Chief Counsel, Senate Internal Security Subcommittee staff, Mr. Sourwine provided the following information which he had received from the State Gaming Commission, State of Nevada, concerning a possible attempt by foreign interests to gain control of Harold's Club, Reno, and the Tropicanna Hotel, Las Vegas.

1. Mr. Ephraim Einhorn, a retired Rabbi of Los Angeles, California, acting apparently as a representative for a Mr. Jaldas (phonetic - possibly Djialdas), an extremely wealthy Egyptian Hindu, who was believed to have dealings with the Soviets, including gem stones (believed also that he may hold the Soviet emerald monopoly), made an offer of \$16,000,000, one half to be paid in cash, for Harold's Club, Reno; and \$20,000,000, one half in cash, for the Tropicanna Hotel, Las Vegas. The money was procured at favorable interest rates in Switzerland. The deal has fallen through "because Henry Smith, the owner of Harold's Club, who is a strict Methodist, did not like the deal." As a result, the Nevada Gaming Control Board has dropped the matter and is not following it any further. Apparently the Tropicanna deal has been called off following the termination of the Harold's Club negotiations.

2. It was stated that Jaldas is a great friend of the Sheik of Kuwait, indicating the possibility that either Arabian or Soviet interests could be involved.

3. Although somewhat unclear, the cash commitments were apparently deposited with the First National Bank of Reno. Mr. Eddie Quinto, the owner of that bank, was killed a few weeks ago. The correctness and the importance of this

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latter item was not clear in the conversation with Mr. Sourwine and it was not considered desirable to press for further detail at that time.

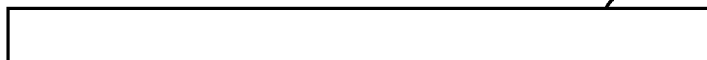


Assistant Legislative Counsel

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O - Subj. Sen. Internal Security Subcommittee File

1 - Signer

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